14 Feb 1946 10039-2 Dry run

Market

Approved For Release 2002/10/21 : CIA-RDP78-01617A005800010039-2

TOP SPERET

CONFIDENTIAL

GENERAL.

1. U.S. recommendations on continuance of proclaimed lists—The Executive Committee on Economic Foreign Policy of the U.S. recommends that proclaimed lists be (a) continued in Europe so long as they help to eliminate German-controlled firms and (b) withdrawn by 8 May in all Latin-American countries (except possibly Argentina), unless their continuance is requested by any of the Republics. These recommendations have been sent to London for British concurrence.

THE AMERICAS

- ARGENTINA: Blue Book given extensive publicity—Press reports indicate that the Democratic newspapers of Buenos Aires have given prominent and extensive publicity to the U.S. Blue Book, leading papers reproducing the full text. The Peronista press has largely ignored it, emphasizing a previous speech by Peron attributing strained relations with the U.S. to personal animus on the part of Braden. La Epoca indicates that Peron will reply by characterizing the Blue Book as a fabrication and emphasizing allegations of interference by Braden in Argentine affairs. The State Department at present contemplates no further statement.
- CHILE: Coal strike settled, but the miners have not yet gone back to work. Chile-which has only an 11 day supply-is arranging to bring in coal from Peru and the U.S., Embassy Santiago reports.
- MEXICO: A \$3,000,000 credit to Aeronautical Radio Mexico has been approved by the Export-Import Board to facilitate the development of Mexico's communications.

LUROPE-AFRICA

5. GREAT BRITAIN: UK Views on Ruhr-Embassy London reports that the UK Foreign Cffice's counter-proposal to French demands concerning the Ruhr and Rhineland calls for: (a) international economic control of the Ruhr without political separation from the Reich; (b) indefinite military occupation; (c) no separate tariff system for the Ruhr; and (d) no separate political administration for the Rhineland.

State Dept. review completed For Release 2002/10/21 : CIA-RDP78-01617/1088899910039-2

Approved For Release 2002/10/21: CIA-RDP78-01617A005800010039-2

CONFIDENTIAL

- italian Embass, in tashington, Vyshinski has informed the Italian Embass, in tashington, Vyshinski has informed the Italian Embassy in London that (a) the USAR wants a just solution in Venezia Giulia, although not necessarily satisfaction of all Yugoslav demands; (b) Italy owes Austria nothing as regards Bolzano; (c) present Soviet policy on Italian colonies may be altered if conditions change.

 Meanwhile, according to Embassy London, the USER opposes the Anglo-American-French view that reparation removals from Italia should leave enough resources to permit Italy an independent economic existence.
- 7. UK opposes Economic Advisor, Council for Italy Fitain epposes the State Department's proposal that a UK-British-Italian co noil take over economic advisory functions for Italy. The UK Foreign Office asserts that the proposed functions could be mandled by lisison among the UK and UK embassies, the Italian Tovernment and UKAAA, and that removal of joint controls will stimulate Italian self-reliance.
 - Half Galy: Utsk monopolies jeopardize Us armistice interests-Legation Budaoest declares that proposed USS - Eurgarian trade agreements would actually create a loviet monopoly of Hungarian pauxite, oil, anipping, and aviation, thus jeopardizing any other external trade relations and Hungary's ability to meet armistice obligations to nations other than the BOSS.
- 9. RUMANIA: Publication of notes impeded-The Sumanian Communists attempted to buy all newspapers containing full texts of the US and UK recognition notes, the US mission reports.
- 10. AUSTRIA: Soviets protest British "Enemy Corps"-- In fuesday's acrimonious session of the Allieu Council Austria, the US member reports, Koniev ettacked British use of Anite Russian and German Austrian formations. Koniev insisted that the White Russians, whom he numbered at 8,000, constitute an enemy corps and the Council's resolutions should so specify.

CONFIDENTIAL

Approved For Release 2002/10/21: CIA-RDP78-01617A005800010039-2

CONFIDENTIAL

Fali East

- 11. It agreement anticipated-State Department representatives report that a Dutch-Indonesian agreement is now expected. The preliminary meeting of van Rock, Clark Kerr and Sjanrir on February 10 was cordial. Sjanrir presented evidence of full powers to negotiate. The replacement of old-guard Dutch officials by younger wen has improved the situation. All american and British internees have been evacuated from the wall.
- 1.2. InDia: Calcutte riote-Uncontrolled ricting continues in Calcutta. British troops have not yet restored order and Moslem Party leaders are unable to control their followers.

3

CONFIDENTIAL